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**AVOYELLES SOCIETY FOR THE
DEVELOPMENTALLY DISABLED, INC**

FINANCIAL STATEMENTS

JUNE 30, 2008 and 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09

DUCOTE & COMPANY
Certified Public Accountants
219 North Washington Street
P O Box 309
Marksville, Louisiana 71351

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**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
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In accordance with Government Auditing Standards, we have also issued a report dated December 19, 2008, on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying information on pages 16 to 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements referred to above, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ducote & Company

Marksville, Louisiana
December 19, 2008

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statements of Financial Position
June 30, 2008 and 2007**

	2008	2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$132,959	\$76,435
Accounts receivable	33,133	45,555
Total current assets	<u>166,092</u>	<u>121,990</u>
Restricted assets:		
Cash and cash equivalents	8,850	7,795
Total restricted assets	<u>8,850</u>	<u>7,795</u>
Fixed assets:		
Buildings	464,907	464,907
Furniture and fixtures	4,578	4,559
Machinery and equipment	47,806	45,523
Training equipment	13,910	13,910
Transportation equipment	39,105	29,954
	<u>570,306</u>	<u>558,853</u>
Less: accumulated depreciation	<u>(211,312)</u>	<u>(188,355)</u>
Net fixed assets	<u>358,994</u>	<u>370,498</u>
Total assets	<u><u>\$533,936</u></u>	<u><u>\$500,283</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$5,909	\$1,454
Accrued expenses	4,092	1,097
Notes payable (current portion)	6,829	6,512
Total current liabilities	<u>16,830</u>	<u>9,063</u>
Long-term liabilities:		
Notes payable	53,862	60,692
Total long-term liabilities	<u>53,862</u>	<u>60,692</u>
Total liabilities	<u>70,692</u>	<u>69,755</u>
Net assets:		
Restricted	8,850	7,795
Unrestricted	454,394	422,733
Total net assets	<u>463,244</u>	<u>430,528</u>
Total liabilities and net assets	<u><u>\$533,936</u></u>	<u><u>\$500,283</u></u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statements of Activities
Years Ended June 30, 2008 and 2007**

	2008	2007
Support:		
Dues and donations	\$401	\$3,376
Interest earned	189	48
Client service	162,410	105,542
Grants	358,861	303,859
Miscellaneous revenue	<u>16,902</u>	<u>11,389</u>
Total support	<u>538,763</u>	<u>424,214</u>
Expenses:		
Program services:		
Adult day services	363,780	298,871
Client service activities	<u>142,267</u>	<u>110,785</u>
Total program services	<u>506,047</u>	<u>409,656</u>
Increase (decrease) in net assets	32,716	14,558
Net assets, beginning of year	<u>430,528</u>	<u>415,970</u>
Net assets, end of year	<u><u>\$463,244</u></u>	<u><u>\$430,528</u></u>

See accompanying notes to financial statements.

**AVOUELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statements of Cash Flows
Years Ended June 30, 2008 and 2007**

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$32,716	\$14,558
Adjustments to reconcile changes in net assets to net cash provided by operations:		
Depreciation	22,957	27,726
(Increase) decrease in operating assets:		
Accounts receivable	12,422	14,167
Increase (decrease) in operating liabilities:		
Accounts payable	4,455	(592)
Accrued expenses	2,995	(646)
	<u>75,545</u>	<u>55,213</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property and equipment	<u>(11,453)</u>	<u>0</u>
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(11,453)</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in long-term notes payable	(6,513)	(24,640)
Loan proceeds	<u>0</u>	<u>16,000</u>
NET CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(6,513)</u>	<u>(8,640)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,579	46,573
BEGINNING CASH AND CASH EQUIVALENTS	<u>84,230</u>	<u>37,657</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$141,809</u></u>	<u><u>\$84,230</u></u>

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**
Notes to Financial Statements
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Vans	4 years
Buildings	30 years

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of the donation.

Cash and cash equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments with an initial maturity of less than three months, as cash and cash equivalents.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2008**

NOTE B - GRANTS

The Society participated in the following grants for the years ended June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Cash Grants:		
Federal/State Grant - Medical Assistance		
Program MR/DD Waiver Services	\$345,860	\$273,153
United Way	13,001	11,262
Paragon Casino Resort	0	1,000
State of Louisiana - Department of Health		
and Hospitals Title XX Adult Day Programs	<u>0</u>	<u>18,444</u>
	<u>\$358,861</u>	<u>\$303,859</u>

NOTE C - FIXED ASSETS

A summary of fixed assets for the year ended June 30, 2008 is as follows:

	<u>Balances June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances June 30, 2008</u>
Buildings	\$464,907	\$0	\$0	\$464,907
Furniture and fixtures	4,559	19	0	4,578
Machinery and equipment	45,523	2,283	0	47,806
Training equipment	13,910	0	0	13,910
Transportation equipment	29,954	9,151	0	39,105
	<u>558,853</u>	<u>11,453</u>	<u>0</u>	<u>570,306</u>
Accumulated depreciation	<u>(188,355)</u>	<u>(22,957)</u>	<u>0</u>	<u>(211,312)</u>
	<u>\$370,498</u>			<u>\$358,994</u>

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2008**

NOTE C - FIXED ASSETS (continued)

A summary of fixed assets for the year ended June 30, 2007 is as follows:

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2007</u>
Buildings	\$464,907	\$0	\$0	\$464,907
Furniture & fixtures	4,559	0	0	4,559
Machinery & equipment	45,523	0	0	45,523
Training equipment	13,910	0	0	13,910
Transportation equipment	29,954	0	0	29,954
	<u>558,853</u>	<u>\$0</u>	<u>\$0</u>	<u>558,853</u>
Accumulated depreciation	<u>(160,629)</u>	<u>(\$27,726)</u>	<u>\$0</u>	<u>(188,355)</u>
Net fixed assets	<u>\$398,224</u>			<u>\$370,498</u>

NOTE D - RESTRICTED NET ASSETS

The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount of \$80.34, until the balance of \$9,642 is accumulated. Funds from this account may be used to (1) pay the cost of repairs or damage to the facility which may have been caused by catastrophe or (2) to make extensions or improvements to the facility. If these funds are utilized, monthly installments must be resumed until the minimum balance is reached. The reserve account was funded in the amount of \$8,850 and \$7,795 at June 30, 2008 and 2007, respectively, and these funds are presented as restricted net assets on the financial statements.

NOTE E - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Dept of Health & Hospitals - MR/DD Waiver Services	<u>\$ 33,133</u>	<u>\$ 45,555</u>

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2007**

NOTE F – LONG-TERM NOTES

The Society has a 4.75% note that is payable to the USDA in monthly installments of \$797 that is secured by the land and building and has principal outstanding of \$60,691 at June 30, 2008.

Future debt service requirements are:

Fiscal Year Ended: June 30,	Principal	Interest	Total
2009	6,828	2,736	9,564
2010	7,160	2,404	9,564
2011	7,508	2,056	9,564
2012	7,872	1,692	9,564
2013	8,254	1,310	9,564
2014 – 2016	<u>23,068</u>	<u>1,479</u>	<u>24,547</u>
Totals	<u>\$ 60,691</u>	<u>\$ 11,676</u>	<u>\$72,367</u>

NOTE G – DEFERRED ANNUITY CONTRACT

The Society established a tax-deferred annuity arrangement, effective January 1, 2001, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may elect a salary reduction up to the maximum allowable annual amount as established by Section 402(g) of the Internal Revenue Code. No employer (Society) contributions are made to the plan.

SUPPLEMENTAL INFORMATION

OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2008, and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under Government Auditing Standards.

The Avoyelles Society for the Developmentally Disabled, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Avoyelles Society for the Developmentally Disabled, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana, is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Ducote & Company

Marksville, Louisiana
December 19, 2008

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Summary Schedule of Findings and Responses
For the Year Ended June 30, 2008**

Ref No	Criteria	Condition	Cause
	None Noted		
	Effect	Management's Response	Responsible Party
			Completion Date

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2008**

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/ Partial Corrective Action Taken
07-01	6/30/2007	Timely submission of audited financial statements to the LA Legislative Auditor	Yes	Management and employee turnover has been reduced and administrative requirements on being handled on a timely basis

**OTHER REPORTS REQUIRED BY
UNITED STATES DEPARTMENT OF AGRICULTURE**

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
United States Department of Agriculture
Required Supplemental Information
Unaudited
June 30, 2008**

1. Current list of the Board of Directors, offices held, addresses, telephone numbers, and term of office.

<u>Board Member</u>	<u>Address</u>	<u>Telephone</u>	<u>Term Expires</u>
Lionel Bordelon President	P.O. Box 267 Moreauville, LA 71355	318-985-2708	6/30/08
Oscar Goody Vice-President	625 Lemoine St. Moreauville, LA 71355	318-985-2179	6/30/08
Eleanor Gremillion Secretary	P.O. Box 365 Marksville, LA 71351	318-253-9222	6/30/08
Frank Havard Parliamentarian	P.O. Box 385 Marksville, LA 71351	318-253-7518	6/30/08
Roy Gremillion Director	P.O. Box 81 Mansura, LA 71350	318-964-2948	6/30/08
Troy Guilbeau Director	P O Box 521 Marksville, LA 71351	318-253-1931	6/30/08
Michael Hukins Director	1581 Hwy 114 Hessmer, LA 71341	318-563-4586	6/30/08
Rev. Gary Jones Director	4178 Hwy 1192 Marksville, LA 71351	318-253-5875	6/30/08
Jocelyn Meaux Board Member	P.O. Box 186 Cottonport, LA 71327	318-876-2533	6/30/08
Lennie Neyland Director	204 Leglise St. Mansura, LA 71350	318-964-2104	6/30/08

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
United States Department of Agriculture
Required Supplemental Information (continued)
Unaudited
June 30, 2008**

2. List the number of residential and commercial users of the utility system.

Not applicable

3. Number of commercial users having a meter larger than the residential size (3/4").

Not applicable

4. The present water and/or sewer rates.

Not applicable

5. Schedule of Insurance:

Description of Insurance	Limits	Exp. Date
Property Insurance:		
Building & Contents	\$803,849 Blanket	July 1, 2008
Employee Dishonesty	\$ 50,000	July 1, 2008
Liability Insurance:		
General Liability:		July 1, 2008
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Fire Damage	\$ 200,000	
Medical Payments	\$ 10,000	
Deductible Per Claim	None	
Sexual/Physical Abuse	\$ 2,000,000	
Aggregate	\$ 2,000,000	
Professional Liability:		July 1, 2008
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Automobile:		July 1, 2008
Liability	\$ 1,000,000	
Deductible	None	
Medical Payments	\$ 5,000	
Uninsured Motorists	\$ 1,000,000	
Comprehensive	\$1,000 Deductible	
Collision	\$1,000 Deductible	
Non-Owned/Hired		
Auto	\$ 1,000,000	
Directors & Officers		
Liability Umbrella	\$ 1,000,000	July 1, 2008
Workers' Compensation Insurance:		
Insured Through Louisiana Workers' Compensation Corporation		June 30, 2008